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 Spherion Atlantic Enterprises, LLC sued herein as  
 Spherion Pacific Workforce, LLC

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

VALERIE D. WATSON-SMITH, AND ALL  
 OTHER SIMILARLY SITUATED,

Plaintiff,

v.

SPHERION PACIFIC WORKFORCE, LLC,  
 and DOES 1 through 100, inclusive

Defendant.

Case No. C 07 05774 JSW

**DECLARATION OF JOAN L. ORZO IN  
 SUPPORT OF DEFENDANT  
 SPHERION ATLANTIC  
 ENTERPRISES, INC.'S OPPOSITION  
 TO PLAINTIFF'S MOTION TO  
 COMPEL**

Date: September 24, 2008

Time: 3:00 p.m.

Courtroom: 4

Judge: Hon. Wayne D. Brazil

I, Joan L. Orzo, declare:

1. I am a human resources manager for Spherion Atlantic Enterprises LLC. I have personal knowledge of the facts set forth in this declaration and if called as a witness, I would and could testify to the truth of these matters.

2. I am employed by Spherion Atlantic Enterprises LLC and work out of Dallas, Texas. I have been employed by the company since 1992. I am currently a human resources manager for the staffing services unit of the company.

DECLARATION OF JOAN L. ORZO

1           3.       As a corporate human resources manger, I manage employee relations and  
2 support field operations throughout the company including Spherion Atlantic's staffing services  
3 operations in California. In that capacity, my current duties include providing management  
4 support and guidance on employee relations policies and procedures. I am familiar with  
5 Spherion's business structure and with its business operations, policies, and practices in  
6 California. I am also generally familiar with the clientele and industries Spherion serves, and the  
7 manner in which Spherion conducts business in the United States and California.

8           4.       Spherion is a staffing company that provides job assignments to thousands of  
9 individuals in California and throughout the United States and Canada. Spherion recruits and  
10 hires individuals and assigns them to businesses, government agencies, non-profit entities, and  
11 other organizations throughout the country under a variety of different contracts and service  
12 agreements. Spherion supplies recruits to almost every industry imaginable including retail,  
13 healthcare, construction, legal services, manufacturing, pharmaceuticals, commercial and  
14 residential real estate, insurance, mortgage and loan, automotive, plumbing, financial services  
15 and banking, securities, consumer credit, engineering, waste collection, education, public  
16 utilities, airline, cable and internet, media, business services, packaging and shipping, food  
17 services, beverage and wine, bottling, computers and electronics, entertainment and motion  
18 picture, transportation, travel and hotel, agriculture, marketing and advertising,  
19 telecommunications, publishing, internet, information technology, charitable and religious,  
20 military, county and city government, and numerous state agencies.

21           5.       Spherion recruits provide a wide range of services including general labor and  
22 production work, administrative and office support, managerial and professional work, and  
23 skilled, technical and scientific work. Some recruits perform highly-paid professional services,  
24 others perform more general office/administrative support services, and yet others perform  
25 manual labor. Spherion recruits may support or supplement regular workforces; provide  
26 assistance in special work situations such as employee absences, skill shortages, and seasonal  
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1 workloads; or perform special assignments or projects. Assignments or projects last anywhere  
2 from a few hours to multiple days, weeks, months, or even years.

3 6. The duties and working conditions of Spherion recruits vary according to the  
4 account and project to which they are assigned. Some flex employees are employed on a long-  
5 term basis. Other Spherion employees work far shorter assignments for many clients.  
6 Spherion's full-time associates are not placed with other companies at all, but work for Spherion  
7 directly and perform daily managerial or administrative tasks related to Spherion's internal  
8 operations.

9 7. Spherion has hundreds of offices throughout the United States with multiple  
10 offices in California. Some offices are operated by Spherion directly and service a number of  
11 clients in a particular area. Other offices are on the premises of a particular client's office, where  
12 Spherion only services that particular client. Yet other offices are run by franchisees or licensees  
13 of Spherion. Spherion licensees have and manage their own office employees, while Spherion  
14 provides support and management for temporary staff recruited and placed by the licensee.  
15 Spherion franchisees on the other hand manage and control both their on-site office staff as well  
16 as the temporary staff recruited and placed by the franchisee.

17 8. Although Spherion has general policies, many of Spherion's policies are  
18 customized or modified at the local branch offices or by the franchisees or licensees. These  
19 policies are further modified and customized for individual clients, their customers, and various  
20 projects. Actual procedures and practices vary widely from office to office, client to client, and  
21 project to project.

22 9. Spherion serves thousands of clients in California. Although Spherion has some  
23 longstanding clients, there is a high rate of attrition among a portion of Spherion's clientele as  
24 businesses and organizations come and go or sporadically use Spherion's services. Spherion's  
25 clientele and the assignments it recruits for changes on a daily basis.

1           10.     Spherion has contractual agreements with many of its clients that govern the  
2 employment and working conditions of Spherion personnel. These contractual agreements often  
3 involve multiple parties when, for example, Spherion provides staffing for the customers of a  
4 client. Working conditions, procedures, and practices for Spherion personnel vary by client and  
5 client's customer and depend on the nature of the relationship between Spherion, its clients, and  
6 the clients' customers.

7           11.     Spherion is a multifaceted business with a multi-layered organizational structure.  
8 Spherion has two primary business units/divisions – Staffing Services and Professional Services.  
9 Recently Spherion has acquired several businesses and these units/divisions have splintered into  
10 multiple divisions or groups. Within the Staffing Services unit there are multiple employee  
11 classifications with hundreds of different job titles. Within each classification and job title there  
12 are employees performing a wide range of activities and duties in a variety of different industries  
13 for a variety of different clients. There are so many different types of jobs that Spherion recruits  
14 perform that their job titles often do not adequately describe their position in a meaningful way.  
15 The job duties of a Spherion employee are highly dependent on individual client and customer  
16 needs.

17           12.     My understanding is that Plaintiff Valerie Watson-Smith's assignment and  
18 employment was very unique. Plaintiff worked as a recruiter for three of Spherion's clients,  
19 Kaiser, Cisco Systems and Honeywell.

20           13.     Spherion recruits many individuals for special assignments that have unique  
21 duties, operations, and practices. For example, Spherion might recruit for an administrative or  
22 clerical position for a hospital in the healthcare industry. Typically a Client Services Supervisor  
23 ("CSS") at a local branch would recruit the individual. These types of assignments are often of a  
24 short duration - for one day to a couple of weeks. Branch personnel would act as the immediate  
25 supervisor, oversee the employee's assignment, and partner with the client in regard to  
26 the supervision and management on a flex employee's day-to-day performance. This type of  
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1 employee would typically be subject to branch-specific policies, but the employee may also be  
2 subject to the client's individual practices and procedures. The nature of the employee's  
3 orientation and training and the type of documents given to the employee would depend on the  
4 duration of the assignment, the type of client, and nature of the project. Documentation related  
5 to the employee's assignment, hours, and working conditions would be primarily kept by  
6 Spherion at the local branch office. After completing his or her assignment, this employee may  
7 never work for Spherion again or may be reassigned to the same project, a similar project for a  
8 different client, or a dissimilar project for a different client in a different industry.

9 14. Another example would be a Spherion employee who is recruited for a customer  
10 service position for a call center in the consulting industry. This employee might be recruited by  
11 Spherion personnel working on-site at the client's place of business. This type of assignment  
12 would typically last multiple weeks. Spherion's on-site personnel would act as the immediate  
13 supervisor and oversee the employee's assignment along with the client providing input on day-  
14 to-day performance. This type of employee would typically go through a site/client-specific  
15 orientation and would often be subject to customized policies and site-specific practices and  
16 procedures as dictated by the client. Documents related to the employee's assignment, hours,  
17 and working conditions may be kept by Spherion's on-site personnel or at the client's place of  
18 business.

19 15. The location of various human resources documentation, including employee  
20 timesheets, varies from office to office, division to division, client to client, and project to  
21 project. For example, some personnel files are kept at the local branch office while others are  
22 kept on a specific worksite with a project or account manager. There have been thousands of  
23 different assignments staffed by Spherion recruits over the last several years and gathering  
24 documents from each of the projects would be a gargantuan task that would involve hundreds of  
25 people and thousands of Spherion's clients. As further described below, the total man-hour  
26 expenditure would be 24,800 hours and the total expense would exceed \$550,000.

1           16. I have reviewed plaintiff's Interrogatory number 4 (first set) which asks defendant  
2 to identify all California Spherion employees who complained about the "absence" of meal  
3 period breaks between September 27, 2003 and the present; Interrogatory number 9 (second set)  
4 which asks defendant to identify all California employees who worked as temporary staff at  
5 client sites without the presence of Spherion supervision on site between September 27, 2003  
6 and the present; Interrogatory number 9 (third set) which asks defendant to identify branch  
7 personnel working in California who processed timesheets between September 27, 2003 and the  
8 present; Inspection demand number 7 which asks defendant to produce all documents relating to  
9 complaints regarding meal period breaks in California between September 27, 2003 and the  
10 present.

11           17. To identify, review and gather the information and documents requested by  
12 plaintiff for thousands of employees with hundreds of different job duties and titles would  
13 require a tremendous amount of work. An inquiry would have to be made of each client, past  
14 and present, to determine: (1) whether any employees had ever complained about the absence of  
15 meal periods; (2) whether there were any documents associated with the complaints; and (3)  
16 whether there was Spherion on-site supervision at the client's location, for what duration, and the  
17 contact information for employees that worked on that site when supervision was present.  
18 Spherion would also have to contact each of its branch offices to determine the names of the  
19 individuals who may have "processed" time sheets for the last four years. Anyone working in a  
20 branch location may have "processed" time sheets as part of their job. However, flex staff at the  
21 branch locations are not allowed to "process" timesheets because they are temporary employees.  
22 To accomplish this task would require at least a three-step process and would require the  
23 involvement of at least three Spherion employees, not to mention the likely involvement of the  
24 client and/or its customers.

25           18. The first step would involve a human-resources ("HR") manager such as myself  
26 initiating contact with each branch office, licensee, or franchisee. The HR manager would have  
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1 to communicate the nature and scope of the requests to each branch or office manager in  
2 California. The HR manager would then work with the branch or office manager at each  
3 location to identify the steps necessary to obtain the requested information.

4 19. The next step would require a branch manager, with the help of a branch-level  
5 employee (such as a Client Services Supervisor ["CSS"]) to generate a list of clients and  
6 accounts for the time period in question and to search for any responsive documents kept at the  
7 branch office level .

8 20. The third step would require at least one CSS employee at each office location to  
9 search for, and gather the information requested. In some instances, customers of the client may  
10 have to be contacted and asked to search for information and/or documents. Whatever  
11 information was gathered during this step, would have to be organized and sent to the HR  
12 manager for review.

13 21. Each of the above steps will vary depending on the customer and the nature of  
14 the assignment. I estimate on average that an HR manager would spend 8 hours per each office  
15 location that it contacted as part of step one of this process. It is my understanding that there are  
16 over 50 office locations in California and an approximate salary for a typical HR Manager is \$41  
17 per hour. Thus, I would estimate the first step would take up to 400 hours and cost Spherion  
18 over \$16,000.

19 22. I estimate on average that an office/branch manager would spend 8 hours as part  
20 of overseeing the investigation and discovery involved with step two. It is my understanding that  
21 there are over 50 office locations in California and an approximate salary for a typical branch  
22 office manager is \$34 per hour. Thus, I would estimate the second step would take up to 400  
23 hours and cost Spherion over \$13,000.

24 23. I estimate on average that a branch CSS employee would spend 8 hours per client  
25 to search for information and documents as part of step number 3. It is my understanding that  
26 there are over 3,000 clients in California and an approximate salary for a typical CSS employee  
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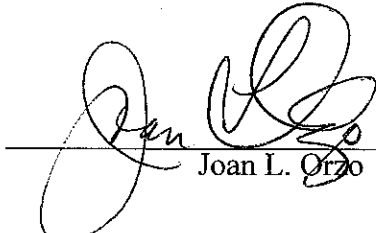
DECLARATION OF JOAN L. ORZO

1 is \$22 per hour. Thus, I would estimate the third step would take up to 24,000 hours (or roughly  
2 480 hours for each CSS) and cost Spherion approximately \$528,000.

3 24. The above estimates could easily be overrun because in many instances it will  
4 likely be more difficult and will likely take longer to locate documents. In situations where an  
5 assignment or project only lasted one day or in situations where a short-term assignment  
6 occurred several years ago, it may be very challenging to find documents and information related  
7 to that assignment. It may take several hours of investigation to find a particular client's contact  
8 information or the particular service contract or work order that applied to such a project. The  
9 recent acquisitions of several companies and the splintering of Spherion's business  
10 units/divisions will also likely create untold problems. Other difficulties will likely surface  
11 including: client businesses that are no longer operating, employees or managers who have  
12 contact information regarding clients but are no longer employed with Spherion, and documents  
13 or data that have been archived and are not easily accessible.

14 I declare under penalty of perjury under the laws of the State of California that the  
15 foregoing is true and correct. Executed on August 28, 2008, in Dallas,  
16 Texas.

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Joan L. Orzo